

BEA RELEASES UPDATED GSP FOR 1963-76

Historical Gross State Product Estimates Revised

The U.S. Bureau of Economic Analysis released updated gross state product (GSP) estimates for 1963-76 on its Web site at <http://www.bea.gov/bea/regional/gsp.htm> today. This data series replaces experimental estimates that were last published in 1988. The updated estimates are based on current concepts, methods, and data, and are being released on a Standard Industrial Classification (SIC) basis. GSP estimates are based on SIC from 1977-97, and on a North American Industry Classification (NAICS) basis from 1997 forward. Current plans are to take the GSP estimates back to 1992 on a NAICS basis.

The release of these updated 1963-76 GSP estimates is a first step in accomplishing one of BEA's Strategic Plan objectives, addressing the needs of users for longer time series. Users of the GSP estimates—such as econometric modelers and state government budget forecasters—have long requested a time series of GSP for years prior to 1977.

Comparisons of these updated historical data with the experimental data show that:

- GSP growth quintiles are very similar between the two sets of estimates, with most states remaining in their original growth quintiles.
- Growth in U.S. GSP is very close to growth in U.S. gross domestic income (GDI)—the comparable national standard of measure for that time period—with an average absolute percentage point difference of 0.1 percent.
- Updates to BEA's banking output methodology had a large impact on differences in GSP for New York and Wisconsin. Differences in other states were small.

While aggregate results are similar, incorporating current concepts, methods, and data has improved these historical estimates in several important ways at the industry level:

- Annual manufacturing GSP estimates have been improved between economic censuses by incorporating value added data from the Census Bureau's Annual Survey of Manufactures.
- Annual mining GSP estimates have been improved between economic censuses by incorporating annual value of production data. Previously, value of production data for mining was incorporated only for economic census years.
- The taxes on production and imports component of GSP has been improved by incorporating all of the 83 federal and state and local taxes used in the current GSP estimates. The experimental estimates incorporated only about 25 different federal and state and local taxes.
- The gross operating surplus component of GSP has been improved by using Census receipts data, rather than wages and salaries. Wages and salaries are less reliable indicators of movements in the capital component of GSP than are Census receipts data.
- GSP in the banking and insurance sectors has been improved by reflecting BEA's current estimation methods for output in these sectors.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: www.bea.gov.

NOTE: The next release of GSP will be on June 6, 2006, for advance GSP for 2005 and revised estimates for 1998-2004.